

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7561

BILL NUMBER: HB 1716

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Enterprise zones.

FIRST AUTHOR: Rep. Klinker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Provides that the 30% valuation floor does not apply to the assessment of depreciable personal property located in an enterprise zone. Provides retail merchants located in an enterprise zone with an additional allowance equal to 1% of the retail merchant's sales tax liability. Provides that the enterprise zone investment cost credit is assignable. Allows the enterprise zone board to designate contiguous property in two municipalities as an enterprise zone. Establishes criteria for designation as a multijurisdictional enterprise zone. Provides that the number of enterprise zones designated by the board may not exceed 29. Provides a credit against state sales and use tax liability for certain purchases made: (1) by or on behalf of a taxpayer that owns real property in an enterprise zone; (2) from a person whose place of business is within an enterprise zone or a city in which an enterprise zone is located; and (3) for the purpose of the redevelopment or rehabilitation of a business or residence in an enterprise zone. Extends the enterprise zone employee wage deduction to an employee employed by a pass through entity. Provides that an individual is entitled to an adjusted gross income tax deduction equal to the amount of qualified increased enterprise zone adjusted gross income received by the individual during the taxable year (including the individual's distributive share of a pass through entity's qualified increased enterprise zone adjusted gross income). Provides a credit against state tax liability for expenses incurred to train employees who reside in an enterprise zone. Provides a credit against state tax liability for jobs created at locations within an enterprise zone. Requires the state human resource investment council to include the president of the Association of Indiana Enterprise Zones or the president's designee.

Effective Date: January 1, 2002 (retroactive); July 1, 2003; January 1, 2004.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869